



TRANSMITTAL LETTER

The University of North Carolina
General Administration

Transmittal Number 117
January 10, 2018

THIS LETTER TRANSMITS CHANGES TO THE *UNC POLICY MANUAL*

[800.5.1\[R\]](#) *Regulation on Financial Aid Practices**

This regulation was amended and approved by the President on January 5, 2018.

800.3.1.1[G] *Guidelines on Implementing the College Opportunity Program - REPEALED*
These guidelines were repealed.

*A redline version reflecting the changes that were made to the regulation is attached herein.

A copy of each above policy is attached below or accessible on the website at:
<http://www.northcarolina.edu/apps/policy/index.php>

Regulation on Financial Aid Practices

The purpose of the federal student loan program is to provide the best possible loan terms for students and parents who borrow to help finance higher education. Private student loans are an important additional resource for many students. Students and families must receive trustworthy, reliable guidance from our institutions about financial aid. The University's first priority in conducting business with student loan providers is the best interest of student borrowers. The following system-wide effort endeavors to provide the best possible loan terms and choices for students served by the University of North Carolina, to ensure that students are well informed of their loan choices and to avoid conflicts or the appearance of conflicts of interest by the University.

1. **Lender Advisory Boards.** Financial Aid personnel may participate on lender advisory boards for the purpose of communicating the needs of the University and its students to lenders, but these employees shall not receive any financial remuneration for their participation or from the lenders, other than meals associated with the meeting.
2. **Campus-Based Lender List.** Campuses must offer a list of lenders to students that is completely transparent and is solely based upon the best interest of the student including but not limited to interest rates, terms, fees, customer service, borrower benefits, and ease of application. Campuses must have no fewer than three lenders on a lender list. The lender list shall be prominently displayed on the campus website and provided to students during the financial aid process.
3. **Lender List Disclosure.** The process by which lenders are selected for the campus-based lender list must be fully disclosed to students. The process must be prominently displayed on the campus website and provided to students during the financial aid process. Students must be informed that they have the right to use a lender of their own choosing, will not be penalized in any way for exercising such an option and will receive assistance from the campus in processing the loan of the student's choice.
4. **Lender List Review.** Lender list status must be reviewed by the campus on an annual basis.
5. **Exclusive Lender Agreements.** Campuses and University associated entities shall not enter into any exclusive agreement with a student lender through the Federal Family Educational Loan Program, The William D. Ford Direct Lending Program, or for a private educational loan expressly for postsecondary educational expenses. Campuses with an existing exclusive agreement with the federal government shall work with the Department of Education to amend the agreement to permit participation in both the William D. Ford Direct Lending Program and Federal Family Education Loan Program.
6. **Private Loan Disclosure to Students.** Campuses that provide information to any student or parent regarding a private educational loan from a lender shall prior to or concurrent with providing such information inform the student or parent of:
 - a. the student's or parent's eligibility for assistance and loans under Title IV of the Higher Education Act; and
 - b. the terms and conditions of such private educational loan that are less favorable than the terms and conditions of educational loans for which the student or parent is eligible, including interest rates, repayment options, and loan forgiveness.

Campuses providing this information shall ensure that information regarding such private educational loan is presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under Title IV of the Higher Education Act.

7. **Use of Mascot, Logo, Emblem or Name by Lenders.** No lender shall be permitted to use the name, emblem, mascot, or logo of an institution, or other words, pictures, or symbols readily identified with or marks of an institution in the marketing of private educational loans to the

students attending an institution in any way that implies that the institution endorses the private educational loans offered by the lender.

8. Acceptable Gifts by University Personnel. Campuses and associated entity personnel whose duties relate to student admissions, student financial aid or student loans shall not accept gifts from a lender or consolidator of student loans, other than advertising items of nominal value to the extent permitted by N.C.G.S. 14-234. Such University personnel shall report unacceptable gifts offered by lenders to the campus director of student financial aid and the chancellor's office.

9. Professional Development Conferences and Meetings. The professional development of financial aid office personnel is encouraged. Reasonable travel, conference registration fees and other miscellaneous expenses relating to professional development conferences must be paid by the individual or campus and should be specifically approved by the traveler's supervisor as travel that will benefit the University. Reimbursement of any expenses by a lender is prohibited.

10. Lender Gifts to the University. Campuses and associated entities should not accept any gift from a lender in exchange for or as an inducement for or result of advantage, including revenue sharing arrangements, computer equipment, printing costs and other inducements or gifts from a lender under circumstances that a reasonable person would conclude the gift was in exchange or inducement for or as a result of such advantage. Any gift to the University that is accepted must be reported to and subsequently approved by the supervisor of the person receiving the gift. If the approval is not forthcoming then the gift must be returned.

11. Student Loan Consolidation Programs. Campuses and associated entities should not enter into a preferred student loan consolidation arrangement with any lender.

Regulation on Financial Aid Practices

The purpose of the federal student loan program is to provide the best possible loan terms for students and parents who borrow to help finance higher education. Private student loans are an important additional resource for many students. Students and families must receive trustworthy, reliable guidance from our institutions about financial aid. The University's first priority in conducting business with student loan providers is the best interest of student borrowers. The following system-wide effort endeavors to provide the best possible loan terms and choices for students served by the University of North Carolina, to ensure that students are well informed of their loan choices and to avoid conflicts or the appearance of conflicts of interest by the University.

1. Lender Advisory Boards. Financial Aid personnel may participate on lender advisory boards for the purpose of communicating the needs of the University and its students to lenders, but these employees shall not receive any financial remuneration for their participation or from the lenders, other than meals associated with the meeting.
2. Campus-Based Lender List. Campuses must offer a list of lenders to students that is completely transparent and is solely based upon the best interest of the student including but not limited to interest rates, terms, fees, customer service, borrower benefits, and ease of application. Campuses must have no fewer than three lenders on a lender list. The lender list shall be prominently displayed on the campus website and provided to students during the financial aid process.
3. Lender List Disclosure. The process by which lenders are selected for the campus-based lender list must be fully disclosed to students. The process must be prominently displayed on the campus website and provided to students during the financial aid process. Students must be informed that they have the right to use a lender of their own choosing, will not be penalized in any way for exercising such an option and will receive assistance from the campus in processing the loan of the student's choice.
4. Lender List Review. Lender list status must be reviewed by the campus on an annual basis. ~~Chancellors shall forward a copy of the campus-based lender list that is provided to students, with an explanation of the process by which the list was compiled, to the President on an annual basis.~~
5. Exclusive Lender Agreements. Campuses and University associated entities shall not enter into any exclusive agreement with a student lender through the Federal Family Educational Loan Program, The William D. Ford Direct Lending Program, or for a private educational loan expressly for postsecondary educational expenses. Campuses with an existing exclusive agreement with the federal government shall work with the Department of Education to amend the agreement to permit participation in both the William D. Ford Direct Lending Program and Federal Family Education Loan Program.
6. Private Loan Disclosure to Students. Campuses that provide information to any student or parent regarding a private educational loan from a lender shall prior to or concurrent with providing such information inform the student or parent of:
 - a. The student's or parent's eligibility for assistance and loans under Title IV of the Higher Education Act; and
 - b. The terms and conditions of such private educational loan that are less favorable than the terms and conditions of educational loans for which the student or parent is eligible, including interest rates, repayment options, and loan forgiveness.

Campuses providing this information shall ensure that information regarding such private educational loan is presented in such a manner as to be distinct from information regarding loans that are made, insured, or guaranteed under Title IV of the Higher Education Act.

7. Use of Mascot, Logo, Emblem, or Name by Lenders. No lender shall be permitted to use the name, emblem, mascot, or logo of an institution, or other words, pictures, or symbols readily identified with or marks of an institution in the marketing of private educational loans to the students attending an institution in any way that implies that the institution endorses the private educational loans offered by the lender.
8. Acceptable Gifts by University Personnel. Campuses and associated entity personnel whose duties relate to student admissions, student financial aid or student loans shall not accept gifts from a lender or consolidator of student loans, other than advertising items ~~those~~ of nominal value to the extent permitted by N.C.G.S. 14-234. Such University personnel shall report unacceptable gifts offered by lenders to the campus director of student financial aid and the chancellor's office.
9. Professional Development Conferences and Meetings. The professional development of financial aid office personnel is encouraged. Reasonable travel, conference registration fees and other miscellaneous expenses relating to professional development conferences must be paid by the individual or campus and should be specifically approved by the traveler's supervisor as travel that will benefit the University. Reimbursement of any expenses by a lender is prohibited.
10. Lender Gifts to the University. Campuses and associated entities should not accept any gift from a lender in exchange for or as an inducement for or result of advantage, including revenue sharing arrangements, computer equipment, printing costs and other inducements or gifts from a lender under circumstances that a reasonable person would conclude the gift was in exchange or inducement for or as a result of such advantage. Any gift to the University that is accepted must be reported to and subsequently approved by the supervisor of the person receiving the gift. If the approval is not forthcoming then the gift must be returned. ~~Chancellors shall report to the President any such gifts offered by lenders promptly.~~
11. Student Loan Consolidation Programs. Campuses and associated entities should not enter into a preferred student loan consolidation arrangement with any lender.

Guidelines on Implementing the College Opportunity Program

The 1994 General Assembly appropriated to the Board of Governors of the University of North Carolina eight hundred thousand dollars (\$800,000) to be allocated equally among the 16 constituent institutions for the purpose of establishing a pilot program called the Legislative College Opportunity Program. Under this program each campus will receive \$50,000 to recruit new students to enroll in college in future years who might not be able to attend college without incentives. However, these funds, which shall not revert and should be placed in trust fund accounts, are to be used at the time the student enrolls at your institution as a freshman.

At its meeting on October 13, 1994, the Committee on Education Planning, Policies, and Programs approved the basic guidelines for the program that will be followed by each campus. These guidelines are very similar to those established by five constituent institutions that began programs of this type in fall 1993. Note that certain responsibilities have been given pertinent participants in the program. It is extremely important that each fulfills its duties for operating the program.

Each institution must develop a recruitment program, prepare an application form for completion by both student and parents/guardians, choose a campus coordinator, define the required role of the parents/guardians in creating a supportive environment for the students, and secure activities that provide community service to be performed by the student.

Basic eligibility requirements have been approved by the committee and must be met. However, an institution may wish to include additional requirements that it deems appropriate to achieving the objectives of the program as written in Senate Bill 1505. Suggested regions of recruitment have been listed for institutions to use.

Each institution is asked to review the document and establish the program no later than January 5, 1995, and submit the name of the program coordinator and propose program to the Vice President for Student Services by January 18, 1995. Enclosed is an application form used by Fayetteville State University.

Each campus shall report annually to the President on the implementation of these guidelines. The chancellors will be expected to transmit their annual report covering the previous academic year to the UNC General Administration by April 30. The first report will be due by April 30, 1996, covering the Academic Year 95-96.

**Fayetteville State University
Freshman Scholars Program Application
(PLEASE PRINT)**

STUDENT INFORMATION

Name _____
 Social Security # ____ - ____ - ____ Sex ____
 Home Address _____
 (Street) _____
 (City) _____ (State) _____ (Zip Code) ____
 Phone # _____ County _____ Date of Birth ____

Ethnic Group _ B=Black; W=White; P-Pacific Islander/Asian;
 I=American; Indian/Alaskan Native; O=Other

School Currently Attending: _____
 Current Grade (1993-94): _____

FAMILY INFORMATION

Father/Guardian: Name _____

Address _____
 Occupation _____
 Social Security # _____

Education Background: Years Completed (Please Circle)

High School 1 2 3 4 College 1 2 3 4

High School Attended _____

Diploma: Yes No

College Attended _____

Degree: Yes No

Mother/Guardian: Name _____

Address _____

Occupation _____

Social Security # _____

Education Background: Years Completed (Please Circle)

High School 1 2 3 4 College 1 2 3 4

High School Attended _____

Diploma: Yes No

College Attended _____

Degree: Yes No

ADDITIONAL INFORMATION

Total Family Income _____ \$

CERTIFICATION: The above information is true & complete to the best of my knowledge if asked by an authorized official, I agree to give proof of the above information. I understand that proof may include a copy of U.S. State or local income tax returns.

Student Signature/Date _____

Parent/Guardian/Date _____